

# **FREQUENTLY ASKED QUESTIONS**

## **Community Clinic Grant Program of 2005 Grant Instructions, Application, and Procedures**

**Q: When are grant applications due?**

A: Grant applications must be received on or before Tuesday, February 28, 2006 at 5 pm. No applications received after this time will be accepted.

**Q: Are Rural Health Clinics, District Hospitals, or County Clinics eligible for funding?**

A: No, only licensed Community Clinics, Free Clinics and Indian Clinics (not required to be licensed) are eligible.

**Q: What type expenditures are eligible for funding?**

A: Eligible expenditures include pre-construction (permit and planning fees only), construction, expansion, remodeling, renovating, acquiring, furnishing, or equipping of a Clinic. Eligible equipment and furnishings shall include removal, installation, maintenance contracts, and reasonable training costs associated with training personnel on the use of the new equipment.

**Q: Can funds be used for pre-construction costs?**

A: Yes, but only permit and planning fees. Architectural and engineering fees are not allowed.

**Q: I understand certain costs associated with equipment are eligible, what are these?**

A: The removal, installation, reasonable maintenance contracts/training, and applicable sales tax are eligible.

**Q: What types of expenditures are ineligible for funding?**

A: Examples of ineligible expenditures include normal operating costs, non-capital equipment, refinancing, reimbursement of expenditures prior to the final allocation date, and certain pre-construction costs.

**Q: Can funds be used for reimbursement of prior expenditures?**

A: No, only expenditures paid after the final allocation date (expected in late May) are eligible.

**Q: Can funds be used to pay-off existing debt or pay existing debt service?**

A: No.

**Q: Can funds be used for start-ups?**

A: No, however existing clinics can use funds to expand or add additional clinics.

**Q: Can funds be used for mobile clinics?**

A: Yes, provided they are licensed as a Community or Free Clinic and meet all other eligibility requirements. Please note: for currently licensed clinics wishing to purchase mobile clinics under the grant program, these are eligible equipment purchases.

**Q: Can funds be used for land acquisition?**

A: Yes, if the grant application provides sufficient evidence that the construction of a new facility on this land will be completed within 18 months of the final allocation date.

**Q: My clinic has been in operation for the past ten years, but we were licensed as a Community Clinic in March 2004. Is my clinic eligible for the grant program?**

A: No. Eligible clinics must have been licensed as a Community or Free Clinic since January 1, 2004 to be eligible for this grant program.

**Q: If I have a satellite clinic in addition to my main clinic, are both clinics eligible to apply for grants?**

A: If the satellite clinic is separately licensed as a Community Clinic or Free Clinic or is exempt from licensure, then both the satellite and main clinic can apply for grants, assuming all other eligibility requirements are met. If the satellite operates under the same license as the main clinic, only one application may be submitted. An unlicensed clinic, except those on federally designated tribal lands, is not eligible for a grant.

**Q: If I have 5 licensed clinics, can I apply for five grants and how do I apply?**

A: Yes. As long as each clinic has its own license you can apply for five grants (five separate grant applications), assuming all other eligibility requirements are met. Note, however, that the maximum grant request per clinic is \$250,000 and the maximum grant award to any consortium of clinics is \$750,000.

**Q: How will CHFFA decide which of my five clinics will be awarded grants?**

A: Each clinic application will be independently evaluated with all other grant applications and scored based on the criteria established for this program. If all five clinics receive a high score and are each eligible to receive a grant, grants for your clinics will be funded from the highest to the lowest score, until the consortium is awarded the maximum of \$750,000.

**Q: I understand that the maximum grant to any consortium is \$750,000, can I use this funding on one clinic?**

A: Yes, as long as you have at least 3 existing eligible clinics (\$250,000 per existing eligible clinic). You may elect to use the funding on one, two or three existing clinics or expand to purchase another eligible clinic. The number of grant applications that you file will coincide with the number of clinic sites that funds are being used for.

**Q: If I elect to use the entire \$750,000 on one clinic, how do I apply?**

A: Please prepare one grant application for \$750,000, reference all eligible clinic sites and include copies of each license.

**Q: I have 3 licensed clinics, can I purchase or construct a 4th clinic?**

A: Yes, your organization would be eligible for grant funding up to \$750,000 to purchase or construct another clinic. This must be completed within 18 months of the final allocation date.

**Q: What are capital expenditures?**

A: Capital expenditures are expenditures for assets that can be classified as fixed assets on your balance sheet. Fixed assets include buildings, parking lots, medical/dental/office equipment, office furnishings, management information systems, information technology, etc. Expenses such as pens, paper, etc., that are listed as expenses on your financial statements, are not considered fixed assets, and are not eligible for this grant program.

**Q: Is a feasibility study required for all projects and must a third-party prepare it?**

A: No, generally a feasibility study is required only if grant funds are going to be used for an expansion or new construction project. In addition, in-house feasibility studies are acceptable in lieu of a third party prepared feasibility studies.

**Q: How can I provide an equipment invoice to show project readiness if I need the grant money to purchase the equipment?**

A: If you provide an invoice, it will be used by CHFFA staff to determine the cost of the equipment and it must show that the item is unpaid. Alternatives to invoices are purchase orders or price estimates. As a reminder, no grant funds can be used for reimbursement. For that reason, an invoice should show that the equipment is unpaid.

**Q: How can I provide construction/remodel documentation to show project readiness, if I need the grant money for remodeling and existing facility or constructing a new one?**

A: Please provide copies of contractor bids/estimates for remodeling projects and construction contracts for new construction projects. (See page 8 of the Overview and Instruction for further detail).

**Q: Can the grant be used for management information system (MIS) equipment, installation, software, and training?**

A: Yes, all of the above are eligible for grant funding.

**Q: Can I apply for a grant that will be used for equipment *and* for an expansion project?**

A: Yes, and this would be completed all on one grant application.

**Q: We are planning a large expansion and renovation project that we estimate will be completed in early 2007. Can I apply for a grant to equip the renovation portion of the project?**

A: Yes. If the grant funds will be used on a piece of the project that will be completed within 18 month of the final allocation of grant funds, the project will meet the grant criteria in terms of project completion.

**Q: What if I don't have a building permit and/or a construction permit? Am I ineligible for the program?**

A: The absence of a building permit or construction permit will not result in ineligibility for the program. You will, however, not receive points for the project readiness section of the application.

**Q: The grant application requests three bids for any single equipment item or construction contract in excess of \$25,000. Am I required to obtain to submit three bids?**

A: Yes, however if grantees can provide acceptable documentation justifying the basis for not obtaining three bids, this requirement can be waived on a case-by-case basis.

**Q: I have a consortium of clinics and have consolidated financial statements prepared by an auditor each year. If only two of my clinics will be applying for a grant, what do I provide with the application?**

A: If there are no audited financial statements prepared for the individual licensed clinics within the consortium, the consolidated financial statement will need to be provided with each grant application.

**Q: I am in the second year of a five-year lease. At the end of the fifth year, there is a 10-year option. Can my clinic apply for renovation grant funds?**

A: We will be looking for your ability to remain in your current site for the next five years. If you can provide convincing documentation (a letter from your landlord indicating the option to renew, in addition to the copy of your lease, for example) your project is eligible for consideration.

**Q: I am currently participating in the LA County private/public partnership and am located within a county-owned building. I know that the Clinic Association is currently in negotiations to extend the partnership, but I do not know how long the current arrangement will last. Is my clinic eligible for renovation grant funds? What documentation should I provide?**

A: Like the lease situation explained above, we will be looking for your ability to remain in your current site for the next five years. If you can provide convincing documentation from the county and your board indicating that you will remain at that location for the next five years, your project is eligible for consideration.

**Q: Once I have received grant notification of approval, how do I receive grant funding?**

A: You must submit the required documentation to CHFFA within 12 months of the final allocation date (see page 12 of the Overview and Instructions for specific procedures). Generally, grant funds are disbursed in one lump sum payment to grantees within 4 to 6 weeks thereafter.

**Q: If I have a project with multiple funding sources, do I need to provide the status of these other grants/loans with the grant application?**

A: Yes, as part of the evaluation process we will review documentation from other funding sources (i.e. funding letters, copy of checks received, etc.). In addition, if internal funds are being used to fund a portion of the project, please provide documentation supporting fund availability.

**Q: If I have a large project, do I have to have other funding sources in place at the time of the application?**

A: It is preferable that you do, as points are awarded on project readiness/feasibility. At the minimum, please provide the status of obtaining other funding.

**Q: I have a large project in which I am having difficulty obtaining other funding, does CHFFA have other programs?**

A: Yes, you may be able to obtain funding under our CHFFA HELP II loan program for up to \$500,000. It is advisable that you submit your HELP II loan application prior to the grant application deadline of February 28, thus allowing sufficient time to process the loan application. See our website at <http://www.treasurer.ca.gov/chffa/programs/help.htm>

**Q: Do I have to supply any information in Section C, page 4 of the application, Population Served?**

A: CHFFA will complete items 1-3, applicants shall complete items 4 and 5, if applicable.

**Q: In the “Special Needs” section of the grant application, what constitutes third-party data?**

A: Anything not prepared by the applicant. We recommend data from health journals, newspapers, health studies, etc. As a reminder, we are looking for how a special needs population affects your clinic. We are not looking for broad statements, such as “we have a lot of diabetics”. We are looking for data that documents the time, costs, etc. of a special needs population in relation to your clinic.

**Q: What should the project timeline look like?**

A: We have left the format to the discretion of the applicant. Examples include a straight line with important dates noted or the timeline can be presented in paragraph form. Depending on the format, we recommend a brief explanation of the critical dates.

**Q: Is there a grant application page maximum?**

A: We have not imposed application page limitations. We are looking for applications that have described all of the requested elements thoroughly. However, we recommend that only pertinent data be included with the application.

**Q: I don't know if my clinic is located in an area designated as an MUA/MUP/HPSA. Where can I find this information?**

A: The federal designations can be found at:

<http://hpsafind.hrsa.gov/> (for HSPA's)

1. Select State
2. Select County
3. Select Primary Medical Service
4. Select "Show me HSPA's"
5. Determine if your census tract is listed

<http://www.bphc.hrsa.gov/databases/newmua/default.cfm> (for MUA's and MUP's)

1. Select State
2. Select County
3. Select "Search"
4. Select appropriate MUA/MUP in column 3
5. Determine if your census tract is listed

Most counties have some designations, but not all. If you are in a county with designations, you'll see that there will be a list of census tracts. If you do not know what your clinic's census tract is, try:

[http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)

1. Select City
2. Select State
3. Select "Go"
4. Input specific street address of clinic
5. Select "go"
6. Your census tract will be displayed in the top right hand corner